

House File 857 - Reprinted

HOUSE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 670)
(SUCCESSOR TO HSB 53)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to eligible housing businesses under the
2 enterprise zone program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 HF 857
5 tm/es/25

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1 1 Section 1. Section 15E.193B, subsection 2, Code 2005, is
1 2 amended to read as follows:
1 3 2. An eligible housing business under this section
1 4 includes a housing developer, housing contractor, or nonprofit
1 5 organization that builds or rehabilitates a minimum of four
1 6 single-family homes with permanent perimeter foundations
1 7 located in that part of a city or county in which there is a
1 8 designated enterprise zone or one multiple dwelling unit
1 9 building with a permanent perimeter foundation containing
1 10 three or more individual dwelling units located in that part
1 11 of a city or county in which there is a designated enterprise
1 12 zone.

1 13 Sec. 2. Section 15E.193B, subsection 8, unnumbered
1 14 paragraph 1, Code 2005, is amended to read as follows:
1 15 The amount of the tax credits determined pursuant to
1 16 subsection 6, paragraph "a", for each project shall be
1 17 approved by the department of economic development. The
1 18 department shall utilize the financial information required to
1 19 be provided under subsection 5, paragraph "e", to determine
1 20 the tax credits allowed for each project. In determining the
1 21 amount of tax credits to be allowed for a project, the
1 22 department shall not include the portion of the project cost
1 23 financed through federal, state, and local government tax
1 24 credits, grants, and forgivable loans. Upon approving the
1 25 amount of the tax credit, the department of economic

1 26 development shall issue a tax credit certificate to the
1 27 eligible housing business. An eligible housing business or
1 28 transferee shall not claim the tax credit unless a tax credit
1 29 certificate issued by the department of economic development
1 30 is attached to the taxpayer's return for the tax year for
1 31 which the tax credit is claimed. The tax credit certificate
1 32 shall contain the taxpayer's name, address, tax identification
1 33 number, the amount of the tax credit, and other information
1 34 required by the department of revenue. The tax credit
1 35 certificate shall be transferable if the housing development

2 1 is located in a brownfield site as defined in section 15.291,
2 2 if the housing development is located in a blighted area as
2 3 defined in section 403.17, or if low-income housing tax
2 4 credits authorized under section 42 of the Internal Revenue
2 5 Code are used to assist in the financing of the housing
2 6 development. Not more than three million dollars worth of tax
2 7 credits for housing developments that are located in a
2 8 brownfield site as defined in section 15.291 or housing
2 9 developments located in a blighted area as defined in section
2 10 403.17 shall be transferred in one calendar year. The three
2 11 million dollar annual limit does not apply to tax credits
2 12 awarded to an eligible housing business having low-income
2 13 housing tax credits authorized under section 42 of the
2 14 Internal Revenue Code to assist in the financing of the
2 15 housing development. The department may approve an
2 16 application for tax credit certificates for transfer from an
2 17 eligible housing business located in a brownfield site as

2 18 defined in section 15.291 or in a blighted area as defined in
2 19 section 403.17 that would result in the issuance of more than
2 20 three million dollars of tax credit certificates for transfer
2 21 provided the department, through negotiation with the eligible
2 22 business, allocates those tax credit certificates for transfer
2 23 over more than one calendar year. The department shall not
2 24 issue more than one million five hundred thousand dollars in
2 25 tax credit certificates for transfer to any one eligible
2 26 housing business located in a brownfield site as defined in
2 27 section 15.291 or in a blighted area as defined in section
2 28 403.17 in a calendar year. If three million dollars in tax
2 29 credit certificates for transfer have not been issued at the
2 30 end of a calendar year, the remaining tax credit certificates
2 31 for transfer may be issued in advance to an eligible housing
2 32 business scheduled to receive a tax credit certificate for
2 33 transfer in a later calendar year. Any time the department
2 34 issues a tax credit certificate for transfer which has not
2 35 been allocated at the end of a calendar year, the department
3 1 may prorate the remaining certificates to more than one
3 2 eligible applicant. If the entire three million dollars of
3 3 tax credit certificates for transfer is not issued in a given
3 4 calendar year, the remaining amount may be carried over to a
3 5 succeeding calendar year. Tax credit certificates issued
3 6 under this chapter may be transferred to any person or entity.
3 7 Within ninety days of transfer, the transferee must submit the
3 8 transferred tax credit certificate to the department of
3 9 economic development along with a statement containing the
3 10 transferee's name, tax identification number, and address, and
3 11 the denomination that each replacement tax credit certificate
3 12 is to carry and any other information required by the
3 13 department of revenue. Within thirty days of receiving the
3 14 transferred tax credit certificate and the transferee's
3 15 statement, the department of economic development shall issue
3 16 one or more replacement tax credit certificates to the
3 17 transferee. Each replacement certificate must contain the
3 18 information required to receive the original certificate and
3 19 must have the same expiration date that appeared in the
3 20 transferred tax credit certificate. Tax credit certificate
3 21 amounts of less than the minimum amount established by rule of
3 22 the department of economic development shall not be
3 23 transferable. A tax credit shall not be claimed by a
3 24 transferee under subsection 6, paragraph "a", until a
3 25 replacement tax credit certificate identifying the transferee
3 26 as the proper holder has been issued.
3 27 Sec. 3. APPLICABILITY. This Act shall apply to transfers
3 28 of tax credit certificates for projects that begin on or after
3 29 July 1, 2005.
3 30 HF 857
3 31 tm:nh/es/25